

Paycheck Deception: The Attempt to Silence Working Families

Paycheck deception legislation would prohibit unions from using any portion of their members' dues money for political and legislative education and advocacy without special advance authorization from each union member every year. Unions are voluntary, democratic organizations that operate under the principle of majority rule, and most union members support their union's legislative and political activities. Paycheck deception legislation would hobble such activities by imposing an unnecessary and unreasonable logistical and administrative burden on unions that is not imposed on other voluntary organizations or on corporations.

The Supreme Court has long held that, under the First Amendment, unions may use their members' dues money to communicate with members on legislative and political matters and to advocate on public policy issues before legislators and the general public (*Pipefitters Local 562 v. United States* (1972); *United States v. United Automobile Workers* (1957); *United States v. CIO* (1948)). Unions use member dues money to advocate for collective bargaining, overtime protections, stronger pensions, safer workplaces, better health care, increases in the minimum wage, paid sick day requirements and the preservation of Social Security, and other important goals.

Paycheck deception legislation has only one purpose: to further skew the political balance of power in America toward corporations and wealthy individuals.

As working families and their unions increasingly speak out on important political and legislative issues, a coordinated, nationwide campaign to silence them is mounting.

- Corporations, right-wing foundations and national anti-union lobbying groups are introducing initiatives and legislation throughout the country designed to limit working families' participation in the political and legislative process by singling out unions for burdensome restrictions.

Backers of paycheck deception legislation falsely claim to be protecting the interests of working Americans and represent their proposals as "campaign finance reform."

- In truth, the initiatives are designed to silence the voices of working people. They exacerbate—rather than alleviate—the flaws and imbalances of a campaign finance system that already heavily favors corporations and the wealthy. And they are a direct response to the efforts over the past decade to hold Wall Street accountable for its greed.

In the political process, corporations already outspend unions 15 to 1.

- For the 2014 election cycle, corporate interests spent more than \$3 billion in political contributions, 15 times what unions spent. Right-wing groups spent more than \$411 million in independent expenditures and electioneering communications, and Karl Rove's Super PAC,

American Crossroads, and its sister 501(c)(4), Crossroads GPS, spent nearly \$48 million in the 2014 cycle, the most of any organization that wasn't a party committee.¹

- In 2014, \$3.24 billion was spent on federal lobbying overall. The Chamber of Commerce spent more than \$124 million on federal lobbying, compared with the \$46 million spent by all the unions of the labor movement combined.² The labor movement's expenditures for federal lobbying are a tiny fraction of the overall amount of money spent on federal lobbying. New restrictions on unions' participation in the political and legislative process only would tilt the balance of power even further in favor of corporations.

These anti-worker proposals single out unions, proposing tight controls and burdensome regulations that won't apply to anyone else.

- Paycheck deception legislation would silence the voice of working families without limiting political spending by corporations or special interest groups such as the U.S. Chamber of Commerce or Americans for Prosperity. The requirements on unions proposed under this type of legislation would be comparable to requiring corporations to obtain special advance authorization from every individual shareholder before engaging in political or legislative activities. Such burdensome requirements are not imposed on corporations precisely because the administrative costs would prevent corporations from participating in legislation and politics.
- These burdensome requirements also are unnecessary—union members already have more protections than members of other organizations, and unions are subject to more stringent reporting requirements.

Union member contributions to candidates and parties are wholly voluntary.

- Paycheck deception legislation generally would apply not to contributions by union political action committees (PACs) to candidates and campaigns, but instead to the use of union treasury funds for legislative and political education, and advocacy. Federal election law already prohibits unions from contributing their treasury funds directly to federal candidates or to national political parties. So do the laws of many states regarding state candidates and parties. Unions are allowed to make such federal and state contributions only through PACs, which are funded wholly by voluntary contributions from union members.
- Any worker who opposes the union's PAC contributions can simply decline to contribute. In those states where unions are not prohibited from contributing their treasury funds to state candidates and parties, members who object to the union's political contributions can resign their membership and only pay an agency fee that covers the cost of collective bargaining and contract administration.

¹ All data sourced from The Center for Responsive Politics, www.opensecrets.org/overview/blio.php, accessed June 22, 2015. Note that these figures include individual and political action committee (PAC) contributions as well.

² All data sourced from The Center for Responsive Politics, www.opensecrets.org/lobby/top.php?showYear=2014&indexType=s, accessed June 22, 2015.

Union members have a choice about political spending.

- The proponents of paycheck deception legislation falsely claim that unions spend money on these legislative and political activities without the consent of their members. But no worker can be forced to fund a union's political and legislative activities. Union members choose whether to join the union, set their own dues, elect their own leaders and vote on where and how their money will be spent. The Supreme Court held in *Communications Workers of America v. Beck* (1988) that workers in states without "right to work" laws who disagree with their union's education and advocacy activities can choose to resign from membership, withhold the portion of their union dues used for these purposes, and choose to pay only an agency fee that covers the costs of collective bargaining and contract administration. In the 25 states with right to work laws, nonmembers can avoid paying not only the portion of union dues used for education and advocacy, but any union fees whatsoever.

Decisions about the use of union treasury funds for legislative and political purposes are made democratically.

- Union membership in all states is entirely voluntary, and workers who join unions enjoy many enforceable participatory democratic rights. Union membership allows workers to fully participate in the political and legislative activities of the union. The enforceable participatory rights of union members include the right to attend and speak at membership meetings; the right to vote in union elections; the right to run for union office; the right to serve on union bargaining and other committees, including PACs; and the right to access information about union finances and operations.

Meanwhile, supporters of paycheck deception legislation oppose shareholder protections.

- Corporate shareholders elect directors of publicly held corporations and vote on other measures at annual meetings, but usually play a much-less-meaningful governance role than do union members in unions. Corporations don't give shareholders, employees or customers any say in their political activities. Legislative bills to condition corporate political spending on advance shareholder approval is bitterly opposed by business and other proponents of union paycheck deception as a violation of corporate First Amendment rights.